

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)

Petition of Verizon For Forbearance Under)
47 U.S.C. § 160(c) From Enforcement of)
Certain of the Commission's Recordkeeping)
and Reporting Requirements)

WC Docket No. 07-273

**COMMENTS OF THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

The Washington Utilities and Transportation Commission (UTC)¹ submits these comments in response to Verizon Communications Inc.'s² (Verizon's) November 26, 2007, petition seeking Federal Communications Commission (Commission) forbearance from Automated Reporting Management Information System (ARMIS) reporting requirements and other federal reporting and record-keeping requirements pertaining to affiliated transactions, non-regulated activities, basic property records, rate-of-return reporting, and apportionment of investment and expenses for access charge purposes.³ Verizon also asks the Commission to make clear that "states may not lawfully impose record-keeping and reporting requirements that are inconsistent with the Commission's decision to forbear."⁴

¹ The UTC is the resident agency in the state of Washington with statutory authority over the provision of intrastate telecommunications services by various providers, including Verizon and other incumbent local exchange carriers.

² According to Verizon's petition, the Verizon companies participating in the petition are the regulated, wholly owned subsidiaries of Verizon Communications Inc. Verizon Northwest Inc. is included in this group and provides telecommunications services regulated by the UTC.

³ Attachment 1 to Verizon's petition contains a list of the specific rules from which Verizon seeks forbearance.

⁴ Verizon Petition, page 5.

As discussed below, the UTC opposes the petition because, like other state regulatory commissions, it relies extensively on many of these reports in carrying out its responsibility to monitor, report on, and act upon matters within its state statutory authority. While the UTC concedes that some reporting requirements could be streamlined or eliminated, it believes the Commission should only consider such changes in a rulemaking proceeding that looks more broadly at industry conditions. Doing so would allow more thorough consideration of the potential adverse effect on the UTC and other state regulatory agencies that rely on ARMIS information and other federal reports and record-keeping requirements. A rulemaking would also enable a thorough evaluation of potential alternative means available to state regulators to obtain necessary information.

The UTC Relies Extensively On ARMIS Data In Fulfilling Its State Regulatory Responsibilities

Verizon's forbearance request is similar to requests of other incumbent local exchange carriers that have recently turned to Section 10 of the Communications Act as a means to sweep away, in varying degree, important federal regulatory obligations.⁵

⁵ Verizon's ARMIS petition is its eleventh major forbearance request to the Commission during the past four years. *Conditional Petition of Verizon for Forbearance Under 47 U.S.C. Section 160(c) with Regard to Broadband Services Provided via Fiber to the Premises*, WC Docket No. 04-242; *Petition for Forbearance Under 47 U.S.C. Section 160(c) from Pricing Flexibility Rules for Fast Packet Services*, WC Docket No. 04-246; *Petition of the Verizon Telephone Companies for Forbearance under 47 U.S.C. Section 160(c) from Title II and Computer Inquiry Rules with Respect to Their Broadband Services*, WC Docket No. 04-440; *Petition of the Verizon Local and Long Distance Telephone Companies for Forbearance Under 47 U.S.C. Section 160(c) with Regard to Certain Dominant Carrier Regulations for In-Region, Interexchange Services*, WC Docket No. 06-56; *Petition of the Verizon Telephone Companies for Forbearance Pursuant to 47 U.S.C. Section 160(c) in the Boston Metropolitan Statistical Area*; *Petition of the Verizon Telephone Companies for Forbearance Pursuant to 47 U.S.C. Section 160(c) in the New York Metropolitan Statistical Area*; *Petition of the Verizon Telephone Companies for Forbearance Pursuant to 47 U.S.C. Section 160(c) in the Philadelphia Metropolitan Statistical Area*; *Petition of the Verizon Telephone Companies for Forbearance Pursuant to 47 U.S.C. Section 160(c) in the Providence Metropolitan Statistical Area*; *Petition of the Verizon Telephone Companies for Forbearance Pursuant to 47 U.S.C. Section 160(c) in the Pittsburgh Metropolitan Statistical Area*, and *Petition of the Verizon*

Verizon argues that structural changes occurring in the telecommunications industry—specifically the growth of and competition from wireless carriers, cable companies, and Voice over Internet Protocol (“VoIP”) providers—warrant elimination of what it contends are archaic or anachronistic reporting requirements imposed in a legacy rate-of-return era. Verizon also contends that expanded record-keeping requirements and reporting obligations imposed by the Commission and other entities, such as the Securities and Exchange Commission (SEC), obviate the need for continued enforcement of the requirements discussed in the company’s petition.

Verizon’s arguments miss the mark. In the state of Washington, Verizon remains subject to rate of return regulation for most of its services and operations. State regulatory agencies such as the UTC continue to rely on ARMIS reports to monitor carriers’ financial condition, service quality, and performance. Although it is true that rate-of-return regulation is changing, the information contained in ARMIS reports are vital to evaluating market conditions, service performance, and other operating measures of the dominant telecommunications providers in each state.

While Washington has not abandoned rate-of-return regulation for telecommunications carriers, state law and policy encourage regulatory flexibility, where appropriate, and offer several mechanisms to allow companies to seek reduced regulation. Indeed, in a number of proceedings over the past ten years, the UTC has acted proactively to reduce regulation of incumbent telecommunications companies by eliminating unnecessary reporting requirements, granting pricing flexibility, and applying alternative forms of regulation where observed market conditions warranted such action.

Telephone Companies for Forbearance Pursuant to 47 U.S.C. Section 160(c) in the Virginia Beach Metropolitan Statistical Area, all in WC Docket No. 06-172.

In each case, ARMIS data was specifically utilized by the UTC to evaluate the evolving nature of national and state-specific market segments in granting requested regulatory relief. Accordingly, the information contained in these reports continues to be essential to the UTC in guiding its own deliberations regarding deregulation and proposals for alternative forms of regulation.

As discussed more fully below, for the Verizon operating company that continues to be subject to the UTC's jurisdiction, each of the following ARMIS reports is specifically utilized to satisfy UTC oversight and reporting regulations.⁶

ARMIS Report 43-01, ARMIS Annual Summary Report. Washington state law requires companies to file annual reports.⁷ For telecommunications companies not classified as competitive, this requirement is implemented by administrative rule, particularly WAC 480-120-385 subsection (1)(c),⁸ which requires Verizon and certain other Class A companies to file with the state annual report forms adopted by the UTC. To comply with this rule, Verizon files the following portions of ARMIS reports:

Table I: Cost and Revenue – Class A Account Level Reporting;

Table II: Demand Analysis;

Table III: Pole and Conduit Rental Calculation Information.

The data filed are Washington-specific and used by the UTC to analyze Verizon cost and revenue data compared to such data filed by other Washington Class A companies. UTC Staff compares data filed for Washington with other publicly-available and consistent data that Verizon files with the Commission for its other reporting states.

⁶The UTC does not use ARMIS Report 43-06 dealing with Customer Satisfaction, and would not oppose repeal of this requirement if addressed in a comprehensive review of ARMIS reporting requirements.

⁷ RCW 80.04.080.

⁸ WAC 480-120-385 Class A companies that the FCC classified as Tier 1 telecommunications companies in Docket No. 86-182 must file annual report forms adopted by the FCC.

The UTC does not have state-specific replacement reports for the information because it has long been contemplated that Commission reporting requirements would remain in place. If the Commission now forbears from requiring Verizon to file ARMIS Report 43-01, the UTC will be compelled to require additional reporting from Verizon in lieu of ARMIS Report 43-01.

ARMIS Report 43-02, the ARMIS USOA Report. Verizon files this report as part of its compliance with WAC 480-120-385(1). The tables filed with this report include the following:

- Respondent Corporate Information;
- Important Changes During the Year;
- Balance Sheet Accounts;
- Statement of Cash Flows;
- Investments in Affiliates and Other Companies;
- Analysis of Assets Purchased from or Sold to Affiliates;
- Analysis of Entries in Accumulated Depreciation;
- Summary of Investment and Accumulated Depreciation by Jurisdiction;
- Accounts Payable to Affiliates;
- Income Statement Accounts;
- Analysis of Services Purchased from or Sold to Affiliates;
- Special Charges;
- Donations for Payments for Services Rendered by Persons Other than Employees.

Except for the entries “Important Changes During the Year” and “Summary of Investment and Accumulated Depreciation by Jurisdiction,” the report summarizes information for Verizon Northwest’s entire four-state region.⁹

Much of the information filed in ARMIS Report 43-02 is required under Washington’s annual report statute, RCW 80.04.080.¹⁰ Currently, Verizon files

⁹ Verizon Northwest Inc. serves customers in Washington, Oregon, Idaho, and California.

¹⁰ RCW 80.04.080 states in part: “Every public service company shall annually furnish to the commission a report in such form as the commission may require, and shall specifically answer all questions propounded to it by the commission, upon or concerning which the commission may need information.”

information on its transactions with affiliates in an Annual Report of Affiliated Transactions, filed in compliance with WAC 480-120-395. The total company data filed in this report are similar, but not identical, to data filed in the ARMIS Report 43-02 tables "Accounts Payable to Affiliates" and "Analysis of Services Purchased From or Sold To Affiliates."

The UTC's preliminary view is that its regulatory efforts would not be harmed by streamlining or eliminating specific portions of ARMIS Report 43-02, as long as the Balance Sheet, Income Statement and Statement of Cash Flows reports filed in ARMIS Report 43-02 are retained. If forbearance were granted for these reports, Verizon would be required to file their equivalent under Washington law.

ARMIS Report 43-03, Joint Cost Report. The Joint Cost Report takes annual cost and revenue data reported in ARMIS Report 43-01 and shows, in detail, the breakdown of the accounts as follows: (1) at the four-digit account level, (2) between direct, indirect, and generally allocated categories, (3) as apportioned between regulated and non-regulated operations, and (4) as adjusted to determine costs and revenues that are

Such annual reports shall show in detail the amount of capital stock issued, the amounts paid therefore and the manner of payment for same, the dividends paid, the surplus fund, if any, and the number of stockholders, the funded and floating debts and the interest paid thereon, the cost and value of the company's property, franchises and equipment, the number of employees and the salaries paid each class, the accidents to employees and other persons and the cost thereof, the amounts expended for improvements each year, how expended and the character of such improvements, the earnings or receipts from each franchise or business and from all sources, the proportion thereof earned from business moving wholly within the state and the proportion earned from interstate business, the operating and other expenses and the proportion of such expense incurred in transacting business wholly within the state, and proportion incurred in transacting interstate business, such division to be shown according to such rules of division as the commission may prescribe, the balances of profit and loss, and a complete exhibit of the financial operations of the company each year, including an annual balance sheet. Such report shall also contain such information in relation to rates, charges or regulations concerning charges, or agreements, arrangements or contracts affecting the same, as the commission may require; and the commission may, in its discretion, for the purpose of enabling it the better to carry out the provisions of this title, prescribe the period of time within which all public service companies subject to the provisions of this title shall have, as near as may be, a uniform system of accounts, and the manner in which such accounts shall be kept. Such detailed report shall contain all the required statistics for the period of twelve months ending on the last day of any particular month prescribed by the commission for any public service company. ..."

“subject to separations.” The companies file the data by study area. UTC Staff review the information to monitor changes over time in Verizon’s regulated and non-regulated allocations and to compare allocations in Washington with those in other states.

The ability to perform state-by-state comparisons of these allocations was a critical audit and analysis tool for UTC Staff during Verizon’s most recent rate case¹¹ and will remain invaluable for any future Verizon ratemaking proceeding. As noted in the UTC’s comments on a similar forbearance petition submitted by Qwest Corporation, the data reported in ARMIS Report 43-03 would also serve as an important monitoring tool should Verizon pursue an alternative form of regulation proposal in Washington.

ARMIS Report 43-04, ARMIS Access Report. This report contains separations data derived using accounting, cost assignments, and cost allocations rules set forth in 47 CFR 36. In Verizon’s 2004 Washington general rate case, ARMIS data were used in testimony and decision on the merits of the company’s separations and interstate and intrastate allocations.¹² UTC staff also uses data in ARMIS Report 43-04 for tracking the effect of the separations freeze on intrastate and interstate rates of return over time, for individual companies, and for comparisons among companies it regulates. The elimination of this data for a major Washington carrier such as Verizon would hamper the UTC’s ability to participate meaningfully in any future proceedings involving separations reform.

ARMIS Report 43-05, ARMIS Service Quality Report. The UTC uses service quality reports of carriers in Washington to contrast their quality of service with that provided by other affiliated or unaffiliated companies operating in Washington and other

¹¹ Docket No. UT-040788, Washington Utilities and Transportation Commission v. Verizon Northwest Inc.

¹² See Testimony of Paula Strain and Glenn Blackmon (UTC Staff), Docket No. UT-040788.

states. Verizon states that information about its network is reported on Form 477 as well as on its "major service outage reports."¹³ However, because its petition fails to provide useful information about the service outage reports, including their level of detail, filing frequency, and availability to state regulators and other stakeholders, the UTC cannot evaluate Verizon's assertion that ARMIS Report 43-05 is not necessary to protect consumers.

ARMIS Report 43-07, ARMIS Infrastructure Report. The UTC uses the ARMIS Infrastructure Report, which is filed only by the largest Washington incumbent local exchange companies (AT&T, Verizon and Qwest), to evaluate the effects of competition on, and the overall robustness and survivability of, the public network in Washington. Simply stated, the report remains a highly useful planning tool to state regulators in setting infrastructure maintenance and development policies.

In an appropriate rulemaking proceeding, the UTC believes the report could be modified to eliminate reporting on certain types of infrastructure, such as electro-mechanical switches, and replace them with more meaningful measures of network capability such as VoIP-based switching information and video services technology.

ARMIS Report 43-08, ARMIS Operating Data Report. The UTC has used data from this report extensively in its analysis of per-line costs, and particularly the development of costs for wholesale services, in telecommunications cost modeling proceedings. UTC Staff also used ARMIS Report 43-08 data to develop estimates of the intrastate effects of the so-called "Missoula Plan" for intercarrier compensation reform on

¹³ Verizon Petition, page 16.

Washington carriers.¹⁴ The UTC used the report because it included line data by type of line (special, switched, analog, digital) and by customer type, and, therefore, allowed analysis of changes in customer demand for various types of lines.

Verizon asserts that the ARMIS reporting requirements apply only to a “small subset of incumbent LECs and not to all competing providers.”¹⁵ While it may be true that the number of companies providing this information is relatively small, the reality in Washington State is that ARMIS Report 43-08 filers—which include not only Verizon but also Qwest and CenturyTel—account for more than 85 percent of the Washington switched access lines on a combined basis.¹⁶ Collectively, these entities also reported serving more than 3 million special access lines in the state as of December 31, 2006.¹⁷

In some Washington exchanges, these companies experience very little competition.¹⁸ This is especially true for basic, single line, no-frills basic telephone service, which is not routinely offered by competitors such as VoIP providers or cable companies. While the Commission may ultimately determine that the reporting required of Verizon and similarly situated companies is burdensome or excessive, it should not undertake such a determination without a careful and complete record to consider the impact of each reporting change upon states’ efforts to regulate intrastate telecommunications services in the public interest.

¹⁴ Docket No. UT-061284, *Staff Investigation Concerning the Impact of The Missoula Plan (Intercarrier Compensation) on Telecommunications Companies in Washington State*.

¹⁵ Verizon Petition, page 16.

¹⁶ FCC Local Competition Report (Form 477 data) as of June 2006.

¹⁷ ARMIS Report 43-08, Row 580. Lines reported are voice-grade equivalents, either analog (4 kHz or equivalent) or digital (64 kbps or equivalent).

¹⁸ FCC Local Competition Report, Zip Codes with CLECs. As of June 2006, 18 of the state’s 99 zip codes had no reported CLECs. Another 31 zip codes were served by one to three CLECs.

ARMIS Information Informs Federal Telecommunications Policy

Verizon argues that the ARMIS requirements do not benefit the Commission and harm the public interest. The UTC strongly disagrees. ARMIS reports are not used solely for the benefit of states in regulating services subject to their jurisdiction. The Commission itself benefits from ARMIS data in monitoring the telecommunications industry generally and in assessing the impact of current or potential modifications to federal regulations.¹⁹ The Commission also uses ARMIS data in compiling and publishing useful studies such as *Universal Service Monitoring Reports* and *Statistics of Communications Common Carriers*. Moreover, the UTC and other state regulatory agencies actively participate in Commission proceedings, and often the positions they advocate or the analysis they provide are based on data obtained from ARMIS reports.²⁰

ARMIS data are critical to the development of sound federal telecommunications policy and regulation. The Commission often relies on the same or similar ARMIS information that states do when it considers modifications to the regulatory structure of the industry and it will continue to need such information in the future. So long as Verizon remains a dominant carrier in Washington and other states, the Commission should not discontinue a ready source of easily analyzed data regarding the company's operations and practices.

Even if it were true that the Commission gathers ARMIS data solely for the benefit of the states, there is no basis in Verizon's forbearance petition that directly supports the company's call for an immediate disruption of ARMIS reporting.

¹⁹ See, e.g., *Special Access Rates for Price Cap Local Exchange Carriers*, Order and Notice of Proposed Rulemaking, WC Docket No. 05-25, 20 FCC Rcd 1994, 2005 fn. 88 and 2006 (2005).

²⁰ See, e.g., Reply Comments of the UTC on Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92, filed Jan. 31, 2007; Reply Comments of the UTC on Jurisdictional Separations and Referral to the Federal-State Joint Board, CC Docket No. 80-286, Nov. 17, 2006.

Historically, the Commission has indicated that even if it were to gather data solely for the benefit of states, it would reject “immediate” actions that “could cause severe problems for state regulators.”²¹ Instead, it has sought comment through a comprehensive rulemaking on transitions to limit disruption to state regulators, and on “whether, rather than sunseting these federal requirements, there are other means to reform federal requirements that serve only state regulatory needs.”²²

Verizon further asserts that the Commission should “make clear that states may not lawfully impose record-keeping and reporting requirements that are inconsistent with the Commission’s decision to forbear.” This assertion is without merit. As discussed above, Verizon’s petition seeks elimination of reporting and record-keeping requirements that are required by Washington law. Verizon erroneously contends that 47 U.S.C. Section 160(e) prevents Washington from enforcing these requirements. It cites no cases referencing this statute that support this contention. In fact, Section 160(e) simply provides that “a State commission may not continue to apply or enforce any provision *of this Act* that the Commission has determined to forbear from applying[.]” (Emphasis added). Section 160(e) makes no reference to the enforcement of other State reporting and record-keeping requirements. Moreover, the cases cited by Verizon are entirely irrelevant. They simply set forth the well-accepted proposition that a government entity cannot achieve indirectly what it cannot do directly. They do not address the authority of a State commission to enforce State regulations that are separate and distinct from those

²¹*Local Competition and Broadband Reporting*, Report and Order in CC Docket Nos. 00-199, 97-212, and 80-286 and Further Notice of Proposed Rulemaking in CC Docket Nos. 00-199, 99-301, and 80-286, 16 FCC Rcd 19911, 19985, para. 207 (2001).

²² *Id.*

set forth in the federal Act. Verizon's unfounded attempt to preempt record-keeping requirements required by Washington law should be rejected.

Other Reporting and Record-keeping Requirements Do Not Obviate the Need for ARMIS Reports

Verizon contends that record-keeping requirements imposed by Congress, the reporting requirements contained in SEC regulations, and the reporting requirements of the Commission's Form 477, obviate the need for detailed ARMIS reports. The UTC disputes this contention. Verizon's financial reports to the SEC, and the infrastructure data Verizon reports on form 477, serve as complements to, and not substitutes for, the detailed operating company financial and infrastructure data provided in ARMIS reports. For example, the financial information reported in Verizon's quarterly and annual SEC reports is submitted on a consolidated company level for Verizon Communications, including all of its affiliates and subsidiaries. Moreover, this information is presented at a high-level for Verizon Communications' two business segments—wireline and domestic wireless.²³ Transactions between affiliates are eliminated in the consolidated statements. None of the information presented in the SEC reports allows state-by-state analysis or provides anything beyond summary-level financial data.

Verizon states that because Form 477 is a report required of all carriers, it is a more useful comparative tool for the Commission and consumers. However, publicly-available 477 data lack the detail inherent in the ARMIS reports, presenting no more detailed information than totals for each state. While more detailed data for all companies reporting in a particular state are available to state regulatory commissions upon request, the information is less accessible to policymakers and consumers because

²³ Verizon 2006 Annual Report, Management's Discussion and Analysis, Segment Results of Operations, page 1.

of confidentiality provisions that attend its use.²⁴ State commissions may get some access to 477 data by signing non-disclosure agreements, but confidentiality requirements cramp efforts to apply the data to public policy matters and restrict states to receiving only their state-specific data which inhibits any useful comparisons to similar data from other states.

Some carriers suggest the Commission consider expanding the scope of Form 477 to address some of these concerns. While the UTC would encourage consideration of an expanded Form 477, it firmly believes that modifications or reductions to the scope of ARMIS reporting should await any changes in Form 477 reporting.

It is Premature to Forbear from Rules Requiring Property Records

Verizon seeks forbearance from the requirements of Part 32 of the Commission's rules relating to recording investment in property, plant, and equipment, and maintenance of certain supporting records, including basic property records and Continuing Property Records (CPRs).²⁵ Verizon states that property record rules are "completely unnecessary to ensure just, reasonable and nondiscriminatory rates" because Verizon's "rates [are] no longer tied directly to costs." This statement is simply untrue with respect to ongoing regulation of Verizon's operations in several states including Washington. According to Verizon's Annual Report, its operations in several states remain rate-of-return regulated subject to varying levels of pricing flexibility for certain competitive or competitively

²⁴ As of the date of these comments the most recent 477 data available on local telephony is from December 2006. It was provided to the UTC in January 2008. See <http://www.fcc.gov/wcb/iatd/comp.html>

²⁵ 47 C.F.R. sec. 32.2000(e).

classified services.²⁶ In these states, detailed property records remain lawfully tied to intrastate telecommunications rates and it would be exceedingly premature to eliminate them. The UTC observes that even in states where Verizon is subject to an AFOR plan, property records may be required for monitoring purposes to gauge the success or failure of an AFOR plan.

Verizon argues that “[General Accepting Accounting Principles] and other applicable safeguards and controls” are designed to “protect assets from physical loss due to theft, deterioration, destruction, misappropriation or misuse and to ensure that asset purchases, transfers and retirements or dispositions are made in accordance with management’s authorization and are properly valued in a company’s financial records.”²⁷ The company asserts that existing CPR requirements are no longer necessary given that they go well beyond GAAP safeguards.

The UTC respectfully disagrees, noting that existing CPR requirements are quite flexible. Verizon quotes 47 C.F.R. sec. 32.2000(f)(1)(i) which defines accounting areas subject to CPR recording but omits reference to subsection (ii), which specifically provides for adaptability and practicability in applying the CPR accounting area requirement for federal, state and municipal purposes. In other words, existing Commission rules pertaining to CPRs already contain provisions relating to flexibility and adaption due to changing circumstances. There is simply no basis for eliminating the entire property record requirement as Verizon proposes in its petition.

²⁶ The states listed in Verizon’s 2006 annual report are Arizona, Illinois, Nevada, New Hampshire, Oregon and Washington. A spinoff of Verizon’s New Hampshire operations to Fairpoint Communications is pending.

²⁷ Verizon Petition, page 35.

**ARMIS Reporting Requirements and Other Record-keeping
Requirements Should Not Be Addressed Through *Ad-Hoc* Forbearance Petitions,
But Through a Rulemaking Proceeding That Allows More Comprehensive Review**

Structural changes are occurring in the telecommunications industry, and it is appropriate that legacy regulations be reviewed periodically to assess their continued efficacy. However, from a procedural perspective, the forbearance petition process is an inappropriate means for effecting generally applicable changes to Commission reporting and record-keeping requirements. This petition is one of many filed by incumbent carriers seeking a similar forbearance result.²⁸ The UTC strongly believes that potential changes to these federal reporting requirements should be vetted through a comprehensive and well-noticed rulemaking, one that allows more thorough consideration of the effect of reduced reporting and record-keeping on the UTC and other state regulatory agencies.²⁹

Conclusion

The UTC believes existing ARMIS reports containing consistently reported and readily accessible data further the public interest by providing support for critical state and federal policy deliberations. The reported information allows comparisons across state jurisdictions and among companies. Further, it avoids numerous and costly

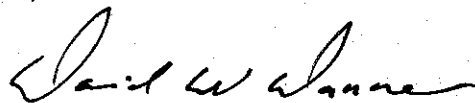
²⁸ Two other telecommunications companies operating in Washington State, Qwest Corporation and United Telephone of the Northwest, d/b/a Embarq, filed petitions for forbearance of some ARMIS requirements. These petitions were filed in WC Docket No. 07-204. The UTC filed comments in response to the Qwest petition on December 6, 2007.

²⁹ A distinguishing aspect of ARMIS reports is the ability to use the ARMIS extract feature to analyze industry-wide, regional, and state-wide information over multiple years, at an account or category level. Much of the comparative information available on ARMIS is not data that a carrier would likely be able to provide to an individual state commission if requested, especially other companies' data. State regulators have no other readily-available cost-effective source for this type of information when trying to compare a company's operations in their state with operations of other companies, or with that company's operations in other states. UTC staff query the ARMIS data retrieval module frequently in developing analysis of issues relevant not only to traditional economic regulation but also consumer protection and quality of service. Rather than abandon this valuable tool, the Commission should consider expanding the data retrieval module functions on its website to include other industry data such as that reported on form 477.

reporting requirements that differ across state boundaries. The benefits of the ARMIS reporting system include, but are not limited to, providing necessary data in rate-of-return and alternative regulatory proceedings, informing regulators of important trends in the telecommunications industry, and measuring service quality. The same is true for the Commission's basic property record requirements. The UTC submits that it is not in the public interest to allow Verizon to be relieved of these existing reporting and record-keeping obligations without a thorough review of the potential impact on state jurisdictions and other concerned stakeholders.

Accordingly, the UTC urges the Commission to deny Verizon's petition.

RESPECTFULLY submitted this 1st day of February, 2008.



David W. Danner
Executive Director
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W
P.O. Box 47250
Olympia, WA 98504-7250
360-664-1208